



PUBLIC NOTICE

Federal Communications Commission
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DA 08-1975

Released: August 26, 2008

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF TIME WARNER CABLE INC. FROM TIME WARNER INC.

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 08-157

Comments Due: September 9, 2008

Reply Comments Due: September 16, 2008

On July 18, 2008, Time Warner Cable Information Services (Alabama), LLC; Time Warner Cable Information Services (Arizona), LLC; Time Warner Cable Information Services (California), LLC; Time Warner Cable Information Services (Georgia), LLC; Time Warner Cable Information Services (Hawaii), LLC; Time Warner Cable Information Services (Idaho), LLC; Time Warner Cable Information Services (Indiana), LLC; Time Warner Cable Information Services (Kansas), LLC; Time Warner Cable Information Services (Kentucky), LLC; Time Warner Cable Information (Maine), LLC; Time Warner Cable Information Services (Massachusetts), LLC; Time Warner Cable Information Services (Missouri), LLC; Time Warner Cable Information Services (Nebraska), LLC; Time Warner Cable Information Services (New Hampshire), LLC; Time Warner Cable Information Services (New Jersey), LLC; Time Warner ResCom of New York, LLC; Time Warner Cable Information Services (North Carolina), LLC; Time Warner Cable Information Services (Ohio), LLC; Time Warner Cable Information Services (Oklahoma), LLC; Time Warner Cable Information Services (Pennsylvania), LLC; Time Warner Cable Information Services (South Carolina), LLC; Time Warner Cable Information Services (Texas), LLC; Time Warner Cable Information Services (Virginia), LLC; Time Warner Cable Information Services (Washington), LLC; Time Warner Cable Information Services (West Virginia), LLC; Time Warner Cable Information Services (Wisconsin), LLC (together, the Applicants) filed an application¹ pursuant to section 63.03 of the Commission's rules requesting consent to a transfer of control of (TWC) from Time Warner Inc. (TWX).²

Although the Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules,³ we accept this application

¹ Application Filed for Consent to a Transfer of Control, WC Docket No. 08-157 (filed July 18, 2008) (Application).

² 47 C.F.R. § 63.03; *see* 47 U.S.C. § 214. Applicants also filed an application for transfer of control associated with authorizations for cable, wireless, and international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their application on August 22, 2008.

³ 47 C.F.R. § 63.03(b)(2)(i).

for non-streamlined processing⁴ due to the number of applications, authorizations and licenses associated with this transaction.⁵

TWX, a publicly traded Delaware corporation, provides diversified media services. The Applicants state no person or entity holds a 10 percent or greater ownership interest in TWX.

TWC, a publicly traded Delaware corporation, provides telecommunications services to wholesale and retail customers through its operating subsidiaries in Alabama, Arizona, California, Georgia, Hawaii, Idaho, Indiana, Kentucky, Kansas, Massachusetts, Maine, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Virginia, West Virginia, Washington, and Wisconsin. Immediately prior to the Transaction, the following entities will directly or indirectly own at least 10 percent of the equity of TWC: TWX (Approximately 84 percent economic and 90.6 percent voting interest in TWC). The remaining 16 percent of the equity (holding 9 percent of the votes) of TWC is publicly traded. No other person or entity holds a 10 percent or greater ownership interest in TWC.

The Applicants, all Delaware corporations and wholly owned subsidiaries of TWC, provide point-to-point transmission services to wholesale and retail customers in their respective states.

On May 20, 2008, TWX and TWC, along with certain of their respective subsidiaries, entered into a Separation Agreement that provides for the separation of TWC from TWX (the "Separation Transaction"). In connection with the Separation Transaction, TWX and its subsidiaries will, after satisfaction of customary conditions to the Separation Transaction, including receipt of all required regulatory approvals, engage in an internal restructuring.⁶ After completion of the internal restructuring, TWX will consummate the Separation Transaction. TWX will transfer to its shareholders its entire ownership of TWC either through a "spin-off" or a "split-off" or a combination thereof. If a spin-off is elected, TWX will distribute to all of its shareholders a *pro rata* number of shares of TWC. If a split-off is elected, TWX will offer its shareholders the opportunity to exchange their shares of TWX stock for a specified number of shares of TWC stock. Following the split-off, any shares of TWC not distributed

⁴ 47 C.F.R. 63.03(c)(v).

⁵ *Streamlined International Application Accepted for Filing*, Public Notice, Report No. TEL-012925 (July 25, 2008); *Time Warner Seeks FCC Consent to Assign or Transfer (sic) Control of Licenses and Authorizations in Connection with Time Warner Cable Separation*, Public Notice, DA 08-1574 (rel July 1, 2008).

⁶ The internal restructuring and the Separation Transaction are referred to collectively as the Transaction. The internal restructuring involves four steps. First, Time Warner Companies Inc. will merge with and into Historic TW Inc., with Historic TW Inc. surviving the merger. Second, American Television and Communications Corporation (ATC) will merge with and into Historic TW Inc., with Historic TW Inc. surviving the merger. As a result, Warner Communications Inc. (WCI) will become a direct subsidiary of Historic TW Inc. Third, WCI will transfer all of its shares of TWC to Historic TW Inc. in exchange for a portion of the shares of WCI presently held by Historic TW Inc. TWC will thereby become a direct majority-owned subsidiary of Historic TW Inc. Fourth, Historic TW Inc. will transfer all of its shares of TWC, including those it received through the TWNY Exchange, to TWX in exchange for a portion of the shares of Historic TW Inc. held by TWX. TWX also indirectly owns a 12.43% non-voting interest in the common stock of an indirect subsidiary of TWC, TW NY Cable Holding Inc. (TWNY). After the ATC merger, Historic TW Inc. will exchange the 12.43% interest in TWNY for 80 million shares of Time Warner Cable A Common Stock (the TWNY Exchange). The shares received by Historic TW Inc. in connection with the TWNY Exchange will, prior to the Separation Transaction, be transferred to TWX as described above. The Separation Agreement is available at <http://www.sec.gov/Archives/edgar/data/1105705/000095014408004413/g13642exv99w1.htm>.

pursuant to the exchange would be distributed on a *pro rata* basis to all TWX shareholders. As a result of the consummation of the Separation Transaction, TWX will no longer have any ownership interest in TWC, and TWX will no longer be the indirect parent of the Applicants. TWC will be managed by its own board of directors.⁷ After consummation of the Separation Transaction, the shareholders of TWX who receive shares of TWC either through the spin off or split off, together with the current public shareholders of TWC, will control TWC directly. Following the completion of the proposed Transaction, no person or entity is expected to hold a 10 percent or greater ownership interest in TWC.

Applicants assert that the proposed transaction will serve the public interest. Applicants state that the separation of TWX media content from the TWC content delivery and communications platforms will place both companies in a better position to improve the number and quality of services they provide. Thus, Applicants maintain that the proposed transaction will alleviate any vertical integration concerns related to the current ownership structure. Applicants state that the Applicants will continue to be lead by the same management team. Finally, Applicants state that the proposed transaction will be seamless to customers and will not change the rates, terms or conditions of service.

GENERAL INFORMATION

The Wireline Competition Bureau finds, upon initial review, that the transfer of control identified herein is acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 C.F.R. § 63.03(a), interested parties may file comments **on or before September 9, 2008**, and reply comments **on or before September 16, 2008**. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's e-Rulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Comments may be filed electronically using the Internet by accessing the ECFS, <http://www.fcc.gov/cgb/ecfs/>, or the Federal eRulemaking Portal, <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

⁷ Applicants state that Jeffrey Bewkes, President & CEO of TWX, intends to resign as Director of TWC upon consummation of the Separation Agreement.

- Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, email one copy of each pleading to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: 202 / 488-5300; fax: 202 / 488-5563;
- 2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, tracey.wilson-parker@fcc.gov;
- 3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 4) David Krech, International Bureau, Policy Division, International Bureau, david.krech@fcc.gov;
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; telephone: 202 / 488-5300; fax: 202 / 488-5563; email: fcc@bcpiweb.com; url: www.bcpiweb.com.

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For further information, please contact Tracey Wilson-Parker at 202 / 418-1394 or Dennis Johnson at 202 / 418-0809.

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